



Cultural
Human Resources
Council

Conseil
des ressources humaines
du secteur culturel



2019-2020

ANNUAL
REPORT

CHAIR'S REPORT – Annual General Meeting 2020

Dear Colleagues,

2019-2020 was a busy year for CHRC! It does, however, provide an amazing legacy for its now retired long-standing Executive Director, Susan Annis, who is at the heart of so many continuous and collected achievements in CHRC's history.

Yet again, CHRC has a long list of collaborators to thank. To start, we would like to recognize the support that we receive from our individual and organization members. Without them, our existence and legitimacy would be short-lived. Many thanks to the funding bodies for their support of our projects this past year. These include Canadian Heritage, the Canada Council for the Arts, Justice Canada, the Metcalf Foundation and Employment and Social Development Canada.

CHRC also recognizes the incredible contribution of the long list of colleagues who participate in our various steering or advisory committees throughout our long list of projects. The shared wisdom, knowledge and intelligence they provide help us serve the multi-faceted industries and disciplines in the sector. We operate in a very big country, the networks that support us make the different corners of the nation seem so much closer. Among these networks, we are ever-grateful for our Provincial and Territorial Advisory Committee and CHRC's Board of Directors.

All in all, CHRC has managed some grandiose portfolios and is still leading the way towards better and great workplaces for all arts and culture stakeholders. We will continue to do so through as many studies, workshops, tools and projects as we can come up with.

We would be remiss not to name the core CHRC team members that work tirelessly on all of CHRC's accomplishments: Grégoire Gagnon, Executive Director, Lucie D'Aoust, Sr. Project Manager, Erma Barnett, Financial Officer and Michael Lechasseur, Webmaster. We also wish to thank the numerous collaborators and project managers who contributed to CHRC's various projects. Among these we find Annalee Adair, Lise Labine, Jeanne LeSage, Kenji Toyooka, Lucie Lalumière, Henry Faber, Louise Allaire, Geneviève Denis and our group of RWA Workshop facilitatorsⁱ.

Cheers,

RICHARD HORNSBY
CHAIR OF THE BOARD OF DIRECTORS

EXECUTIVE DIRECTOR'S REPORT – Annual General Meeting 2020

Dear Members,

Susan Annis ended last year's report saying "2019-2020 is looking good". I'm honoured and humbled to continue the work she started and yes, 2019-2020 has been a year rich in productivity. It started out nicely and kept us busy throughout even if things ground to a halt a few weeks early. Regardless of this last bit of the year, CHRC is proud of its many accomplishments.-

The Respectful Workplaces in the Arts (RWA) endeavour brought forth two major pieces into the artistic landscape: the *Code of Conduct for the Performing Artsⁱⁱ* and the 61 Maintaining Respectful Workplacesⁱⁱⁱ workshops that provided facilitated conversations on harassment with over 600 participants across the country. The RWA accomplishment list continues with the launch of tools such as the Provincial/Territorial Legislative Webcasts and Quick Reference Guides^{iv}, the publication of *Reporting and Investigating Mechanisms for Workplace Harassment in the Arts^v* and its follow-up study *Dealing with Harassment in Cultural Workplaces^{vi}*. Last but not least, *Workplace Harassment and Violence^{vii}*, a new tool focussed on prevention, was added to CHRC's *HR Management Toolkit*. With its suite of tools and services, CHRC continues the fight against all forms of harassment. Every step taken towards that goal is a step in the right direction. Together, we'll get there and we look forward to continuing this work in 2020-2021.

2019 also saw the publication of the *Labour Market Information Study of the Cultural Labour Force^{viii}*. This study has revealed that the cultural sector is comprised of nearly 800,000 workers and over 117,000 establishments that generate a \$58.8B contribution to the Canadian GDP.

CHRC was also busy with its mentoring and work integration programs. Focussed on improving mid-career indigenous, racialized and official language minority cultural managers skill-sets through mentor-mentee matches and an online training program, Talent to Lead^{ix}, or T2L, saw the completion of its 3rd and the beginning of its 4th cohorts' training. Meanwhile, Young Canada Works' Building Careers in Heritage managed 29 internships for graduates across the country.

2019 was also an occasion to bring a group of future-thinking artists together to explore immersive technologies through virtual reality and story-telling in the second edition of Arts Futures. Their accomplishments and the teachings that lead to this are presented in *Selecting and Teaching Immersive Technology for Artistic Applications^x*.

Through the various projects, I've had the privilege of going across Canada and meeting members, colleagues and peers in-person. For the time being, we'll have to settle with making new e-cquaintances but as soon as it is advisable to do so, we'll back out to shake (properly sanitized) hands again soon.

GRÉGOIRE GAGNON, D. MUS., MPA & MBA
EXECUTIVE DIRECTOR

CULTURAL HUMAN RESOURCES COUNCIL

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Notes

- ⁱ <http://respectfulartsworkplaces.ca/trainers>
- ⁱⁱ <http://respectfulartsworkplaces.ca/sites/default/files/2019-06/Code%20of%20Conduct%20LPA%20booklet.pdf>
- ⁱⁱⁱ <http://respectfulartsworkplaces.ca/training-resources-on-harassment>
- ^{iv} <http://respectfulartsworkplaces.ca/training-resources-on-harassment>
- ^v <http://respectfulartsworkplaces.ca/sites/default/files/2019-02/Reporting%20and%20Investigating%20Mechanisms%20for%20Workplace%20Harassment%20in%20the%20Arts.pdf>
- ^{vi} <http://respectfulartsworkplaces.ca/sites/default/files/documents/Dealing%20with%20Harassment%20in%20Cultural%20Workplaces.pdf>
- ^{vii} <http://culturalhrc.ca/sites/default/files/2019-07/HR%20Management%20Tool%20-%20Workplace%20Harassment%20and%20Violence.pdf>
- ^{viii} <https://www.culturalhrc.ca/index.php/LMI2019>
- ^{ix} <http://talenttolead.ca/>
- ^x <https://kit.dmg.to/en/studies/selecting-and-teaching-immersive-technology-for-artistic-applications>

CULTURAL HUMAN RESOURCES COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2020

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of:
CULTURAL HUMAN RESOURCES COUNCIL

Opinion

We have audited the accompanying financial statements of Cultural Human Resources Council, which comprise the Statement Of Financial Position as at March 31, 2020, and the Statements Of Operations, Changes In Net Assets, and Cash Flows for the year then ended, and Notes To The Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cultural Human Resources Council as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Cultural Human Resources Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

There is tremendous uncertainty in regards to the negative economic impacts of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the inability of the organization to adjust expenditures may result in a significant negative impact on operational results. These financial statements do not include any potential adjustments or accruals for these potential effects.

Emphasis of Matters

We draw attention to Note 6 to the financial statements, which describes management's plans in regard to the material uncertainty that exists, resulting from the completion of the agreement of funding (during 2014) with Employment and Social Development Canada (ESDC), and thus raises substantial doubt about the organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We also draw your attention to note 8 to the financial statements which describes a prior period adjustment to revenue, committed funds and net assets for the year ended March 31, 2019. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Cultural Human Resources Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Cultural Human Resources Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Cultural Human Resources Council's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cultural Human Resources Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cultural Human Resources Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Cultural Human Resources Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
October 6, 2020

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 133,315	\$ 62,733
Short-term investments (note 3)	-	5,085
Accounts receivable	54,273	31,662
GST/HST receivable	4,048	24,672
Prepaid expenses	-	628
	<hr/>	<hr/>
	191,636	124,780
CAPITAL ASSETS (note 4)	<hr/>	<hr/>
	585	1,462
	<hr/>	<hr/>
	\$ 192,221	\$ 126,242
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,238	\$ 27,833
Source deductions payable	2,782	3,983
Committed funds (notes 5 and 8)	107,425	41,873
Deferred revenue	11,992	14,433
	<hr/>	<hr/>
	135,437	88,122
NET ASSETS		
Invested in capital assets	585	1,462
Unrestricted (note 8)	<hr/>	<hr/>
	56,199	36,658
	<hr/>	<hr/>
	56,784	38,120
	<hr/>	<hr/>
	\$ 192,221	\$ 126,242

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUE (notes 5 and 8; schedule 1)	<u>\$ 942,928</u>	<u>\$ 1,080,531</u>
EXPENDITURE		
Amortization	714	692
Capital asset disposal	163	-
Bank charges	2,070	2,152
Communications and translation	30,921	23,441
Insurance	3,669	3,624
Internship programs	188,850	188,850
Legal, accounting and audit	9,038	6,800
Occupancy and storage costs	5,068	5,795
Office supplies	1,767	6,454
Postage and courier	248	147
Professional fees	377,263	558,276
Salaries, benefits and casual wages	172,092	150,342
Telecommunications	7,798	7,713
Travel and accommodation	<u>124,603</u>	<u>119,282</u>
	<u>924,264</u>	<u>1,073,568</u>
EXCESS OF REVENUE OVER EXPENDITURE (note 8)	<u>\$ 18,664</u>	<u>\$ 6,963</u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	Invested In Capital Assets	Unrestricted	2020	2019
NET ASSETS				
BALANCE, BEGINNING OF YEAR (note 8)	\$ 1,462	\$ 36,658	\$ 38,120	\$ 31,157
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE (note 8)	(714)	19,378	18,664	6,963
CAPITAL ASSET PURCHASES, NET	<u>(163)</u>	<u>163</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR (note 8)	<u><u>\$ 585</u></u>	<u><u>\$ 56,199</u></u>	<u><u>\$ 56,784</u></u>	<u><u>\$ 38,120</u></u>

CULTURAL HUMAN RESOURCES COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year (note 8)	\$ 18,664	\$ 6,963
Items not requiring an outlay of cash:		
Amortization	714	692
Capital asset disposal	<u>163</u>	-
	19,541	7,655
Net change to non-cash items related to operations:		
Accounts receivable	(22,611)	2,720
GST/HST receivable	<u>20,624</u>	(24,241)
Prepaid expenses	628	(628)
Accounts payable and accrued liabilities	(14,595)	22,353
Source deductions payable	(1,201)	(3,223)
Committed funds (note 8)	<u>65,552</u>	41,873
Deferred revenue	<u>(2,441)</u>	(1,125)
	65,497	45,384
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Acquisition of capital assets	-	(1,791)
Investments, net	<u>5,085</u>	(85)
	5,085	(1,876)
NET INCREASE IN CASH	70,582	43,508
CASH, BEGINNING OF YEAR	62,733	19,225
CASH, END OF YEAR	\$ 133,315	\$ 62,733

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

1. GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Cultural Human Resources Council (the "Council") is a not-for-profit organization incorporated without share capital under the Canada Business Corporations Act on October 4, 1994. The mission of the Council is to initiate, coordinate and promote human resources planning, management, development and training in the cultural sector. These financial statements represent the combined programs of the Council. As a not-for-profit organization, the Council is not subject to income taxes.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), and reflect the following policies:

BASIS OF PRESENTATION

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of the fair value.

ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. These estimates, such as amortization of capital assets, are based on management's best knowledge of current events and actions that the Council may undertake in the future. Actual results may differ from these estimates.

REVENUErecognition

The Council follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unexpended contributions are recorded as committed funds on the Statement Of Financial Position until the termination of the agreement to which they relate. Unexpended funds at the termination date of each contribution agreement are payable to the contributor.

Contributed capital assets are reported as revenue when the organization receives the capital assets. These contributions are recorded at the fair value of the capital assets or a nominal value of \$1 if the fair value cannot be reasonably determined.

Investment income is recognized as it is earned.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2020

2. ACCOUNTING POLICIES (continued)

CAPITAL ASSETS

The computer hardware is recorded at cost. Amortization is computed to amortize the cost of the computer hardware less its residual value over its estimated useful life, using the declining balance method at the annual rate of 55%.

Capital assets acquired during the year are amortized at half of the annual rate.

3. INVESTMENTS

Investments consisted of a Guaranteed Investment Certificate (GIC) bearing an annual interest rate of 1.65% and matured in December 2019.

4. CAPITAL ASSETS

	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 1,792	\$ 1,207	\$ 585	\$ 1,462

5. COMMITTED FUNDS

	2020	2019
Canadian Heritage and Metcalf Foundation		
Balance, beginning of year	\$ 14,594	\$ -
Contributions	285,803	213,183
Expenditures	(271,841)	(198,589)
Balance, end of year	<u>28,556</u>	<u>14,594</u>
Canada Council for the Arts		
Balance, beginning of year	18,858	-
Contributions	160,900	300,000
Expenditures	(100,889)	(281,142)
Balance, end of year	<u>78,869</u>	<u>18,858</u>
Employment and Social Development Canada		
Balance, beginning of year	8,421	-
Contributions	139,180	243,038
Expenditures	(147,601)	(234,617)
Balance, end of year	<u>-</u>	<u>8,421</u>
Total balance, end of year	<u>\$ 107,425</u>	<u>\$ 41,873</u>

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2020

6. GOING CONCERN

These financial statements have been prepared based on the going concern assumption. The success of the Council is contingent on generating significant funding from outside sources, as well as self-generated revenues. A significant amount of external funding was cut in fiscal 2014. While the Council is aiming to become more self-sufficient, they are actively seeking continued funding from multiple sources, the amounts of which are not determinable. Management believes the remaining funds within the Council will allow them to operate through the next fiscal year based on the current spending model, or longer should the organization re-evaluate forthcoming budgets pending confirmation of future funding agreements.

7. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Council is exposed to various financial risks resulting from both its operations and its investment activities. The Council's management manages financial risks.

The Council does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

FINANCIAL RISKS

The Council's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

The Council is exposed to credit risk since its cash is held by one financial institution. A significant portion of its accounts receivable is due from two government departments, and as a result exposes the Council to limited credit risk.

Interest rate risk

The Council is exposed to interest rate risk as a result of short-term floating bank indebtedness. The interest rate risk to the Council's earnings arises from fluctuations in interest rates and the degree of volatility of these rates.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and short-term investments and to ensure that the Council has financing sources such as bank loans for a sufficient authorized amount. The Council establishes budget and cash estimates to ensure it has the necessary funds to fulfill its obligations.

Short-term financial instruments

The fair value of short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly.

CULTURAL HUMAN RESOURCES COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2020

8. PRIOR PERIOD ADJUSTMENT

The financial statements for the year ended March 31, 2019 have been re-stated to reflect accounting adjustments recorded in relation to revenue, committed funds and net assets. The adjustments for the year ended March 31, 2019 had a cumulative effect of reducing the excess of revenue over expenditures and net assets for the year in the amount of \$41,873. The composition of committed funds as at March 31, 2019 is presented by funding source in Note 5.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current financial statement presentation.

CULTURAL HUMAN RESOURCES COUNCIL

SCHEDULE OF REVENUES - Schedule 1

MARCH 31, 2020

	2020	2019
ANCILLARY AGREEMENTS		
<i>YCW - Building Careers in Heritage</i>		
Canadian Heritage	\$ 226,000	\$ 226,000
<i>Digital Literacy</i>		
Canada Council for the Arts	60,776	104,017
<i>Talent to Lead</i>		
Canadian Heritage and Metcalf Foundation - T2L3 (note 8)	64,143	198,589
Canada Council for the Arts - T2L4	21,255	-
<i>Cultural Labour Market Information Study</i>		
Employment and Social Development Canada (note 8)	147,601	234,617
<i>Respectful workplaces in the arts</i>		
Canada Council for the Arts (note 8)	18,858	281,142
Canadian Heritage	<u>210,247</u>	-
Official-Language Communities Program	47,000	-
Department of Justice	<u>116,773</u>	-
	<u>912,653</u>	1,044,365
SELF-GENERATED		
Interest and other	128	108
Membership fees	<u>21,612</u>	20,865
Sales of products and services	<u>8,535</u>	15,193
	<u>30,275</u>	36,166
	<u>\$ 942,928</u>	<u>\$ 1,080,531</u>